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March 15, 2006

BY HAND and E-Filing

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

Re: Blackstone Gas Company – D.T.E. 06-GAF-O3
Off-Peak GAF Adjustment

Dear Secretary Cottrell:

Blackstone Gas Company (the "Company") files herewith it's Off Peak Cost of Gas Adjustment Factor ("GAF") to become effective for gas consumed by customers from May 1, 2006 through October 30, 2006. The filing requests a total GAF/LDAF charge for the off-peak period of \$0.9441 per CCF. Gas costs in the filing are based on the NYMEX prices on March 13, 2006. The factor also includes an Annual Reconciliation credit factor of \$0.0673 per CCF. The GAF/LDAF for the off-peak period in 2005 was \$0.7883 per CCF which included reconciliation and Account 175 credits of \$0.1673 per CCF. The increase the GAF is due to the higher NYMEX prices forecasted for 2006 and the lower credits.

The bill impact schedules compare the GAF and base rates in effect for the 2005 off-peak period with the proposed GAF for the 2006 off-peak period with the current base rates which include the PBR rate increase authorized by the Department in D.T.E. 05-42. For the typical residential heating customer on Rate R-3 using 25 CCF per month, the proposed interim GAF and base rate adjustment will increase the monthly bill by \$4.71 or 9.86 %. For the typical residential non-heating customer on Rate R-1 using 20 CCF per month, the proposed interim GAF and base rate adjustment will increase the monthly bill by \$3.77 or 10.24 %.

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The Company is also enclosing a Motion for a Protective Order in the same form as in the peak season filing which was approved by the Hearing Examiner on November 1, 2005. The confidential documents are being submitted in a separate envelope marked CONFIDENTIAL to the Secretary and the Hearing Officer.

If you have any questions regarding this filing, please contact the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Andrew J. Newman". The signature is fluid and cursive, with the first name "Andrew" and last name "Newman" clearly distinguishable.

Andrew J. Newman

Enclosures

cc: (with enclosures)
Mr. George Yiankos, Director Gas Division (3 copies)
Joseph W. Rogers, Esq.
Robert Sydney, Esq.
Carol Pieper, Hearing Officer (2 copies)